

**“Electronic Waste: Can the Nation Manage
Modern Refuse in the Digital Age?”**

**Committee on Science and Technology
United States House of Representatives**

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Written Testimony

by

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On behalf of Sony Electronics Inc. and our employees throughout the country, I would like to thank the Committee for the opportunity to testify about Sony's environmental stewardship program.

Sony's National E-Cycling Program

Sony has long been an industry leader in the environmentally-friendly design of our consumer electronics and information technology products. Sony has now made an even stronger commitment to environmental stewardship. Last year, we announced a ground-breaking program to encourage consumers to recycle and dispose of electronic devices in an environmentally sound manner.

Sony teamed up with Waste Management, Inc. to implement the first national recycling initiative in the U.S. to involve both a major electronics manufacturer and a national waste management company.

Our program provides customers free recycling of any of their unwanted Sony products, including Playstation consoles and Sony Ericsson phones. Under this program, Sony takes full manufacturer responsibility for all products that bear the Sony brand. We will recycle those products at no cost to the consumer. This not only includes consumer products, but business and professional products as well.

While Sony will recycle its own products for free, our recycling locations will also accept non-Sony consumer electronics and information technology products.

To fully carry out this nationwide e-waste take-back program, Sony and Waste Management Recycle America utilize 138 drop-off centers throughout the country. This is an increase from the initial 75. In addition to setting up permanent collection centers, we are also holding recycling events, coordinating with retailers and local municipalities. By the end of this year, we plan to have held at least 50 special recycling events.

Our goal is to have 150 drop-off locations throughout the United States, with at least one recycling location in every state by September 2008. Our longer term goal is to have a collection location within 20 miles of 95% of the United States population at which consumers, retailers, and municipalities can have any product from any consumer electronic manufacturer recycled.

Sony has set a goal to recycle one pound of consumer electronics goods for every pound sold. This is sustainability.

Since its inception last September, our program has collected almost 7 million pounds of consumer electronics products. Our five year goal is to raise that number to 600 million pounds per year.

In summary, Sony wants to make the recycling of our products as easy for consumers as the purchasing of products.

Other Sony Recycling Programs

Beyond the program described above, in an effort to encourage customers to recycle, Sony offers customers Sony credit toward the future purchase of a similar product if they send in their old product for recycling. This “trade-up” program is applied to laptops, digital cameras and camcorders. By going on to our website, www.sonymstyle.com, customers can enter specific values describing their old product. Once the appropriate value is determined, customers will receive an e-coupon valid at our Sony Style website toward the purchase of a new product. Depending on the product, values can range up to \$1,000.00.

Product Recycling

After products are collected through the Sony Take Back and Recycle program, Waste Management will store, track inventory and dismantle the products into the form of

common raw materials where they can be bought and sold on the global market. In some cases, it is likely that recycled plastics will be purchased for reforming into a new current model electronic product.

All products which are collected through the Sony Take Back and Recycle program must be recycled using the strictest and highest environmental standards. We seek at least 95% recycling rates, with less than 5% of materials going to landfills. In addition, we provide full public accountability of how and where the material goes. We seek to reuse as much as possible in new Sony products. Most importantly, we prohibit the exportation of hazardous waste to developing countries.

Product Innovation

Sony has long been an industry leader in product innovation. And we are continuing to add an array of environmentally-friendly electronic products, such as our e-Reader.

The Reader Digital Book offers a unique, on-the-go reading experience. With a compact and lightweight design, it holds up to 160 eBooks. You can easily hold it in one hand, and with its rechargeable battery, you can turn up to 7,500 continuous pages on a single charge.

Today, I have brought with me an example of Sony's latest product innovation, our new OLED television. OLED (or Organic Light Emitting Diode) is a revolutionary Sony display technology that offers exceptional picture quality and color reproduction from a screen that is a mere 3mm thick. Unlike liquid crystal display (LCD) televisions, the Sony OLED TV does not utilize a backlight. In LCD TV's, a backlight must remain "always on" for video display. Rather, each OLED pixel produces its own light and is off, using no power, when displaying blacks.

While this OLED technology offers exceptional contrast ratios and outstanding dark scene detail, it also leads to improved power performance. Under normal viewing

conditions, the OLED technology can result in reduced power consumption of up to 40% per panel square inch. As with all Sony BRAVIA LCD HDTV's, the OLED displays do not incorporate any lead content, and, with no backlight needed, offer no mercury content as well.

Sony hopes to utilize this technology for other future products, such as laptops, cell phones and larger size televisions.

Sony's Comments on Federal Legislation

Sony urges you to adopt legislation that supports our efforts and extends the environmental stewardship we have demonstrated to all electronics manufacturers and retailers. While we are confident that Sony's voluntary e-waste recycling program will make great strides forward, only a truly comprehensive and consistent program will allow all interested parties to achieve our shared recycling goals. Sony, therefore, respectfully requests that any legislation reflect the following:

- **Preemption**

Although it is of course a significant event when Congress preempts state regulation on a particular point, Sony believes that electronics recycling is an issue on which state preemption is essential. We and other stakeholders already have to comply with numerous, and sometimes contradictory, state and local e-waste laws. The inconsistency between these programs inevitably creates inefficiencies in the system and minimizes any economies of scale that could be achieved. And since Sony (and likely no other manufacturer) does not build products to be sold in a particular state, adding a federal bill without state preemption merely adds more complexity rather than simplifying and streamlining the process. In the end, a patchwork quilt of different and ultimately contradictory state and municipal laws will only serve to undermine everyone's shared goal of recycling as much electronic waste as efficiently and cheaply as possible.

- **Producer Responsibility**

Sony believes that it is the individual manufacturer's responsibility to assure that any product that bears its name is properly recycled using the highest standards possible at the end of the product's life. That said, other stakeholders who directly benefit from the sale or enjoyment of electronic products must also bear some responsibility. More specifically, retailers – at the very least – must take an active role in the collection of e-waste and consumers must be encouraged to take the extra step necessary to properly dispose of their products.

- **Market Share**

In order to create a level playing field, **any manufacturer obligation should be based upon present market share** and not on historical activities or waste collected. Systems based upon the amount of waste collected will give a cost advantage to those companies that are new to the market. Such companies can avoid any recycling cost by simply staying in business and changing their brand or company name every year. Many of these “no name” brands are made of lower quality materials, which can contain higher levels of toxic chemicals and may be more difficult to recycle. Any mandate not based upon today's market share will give those companies a “free ride” on recycling. This will lower their costs when compared to responsible companies by rewarding manufacturers who avoid their environmental obligations and penalizing responsible companies by putting environmentally-advanced products at a competitive cost disadvantage.

- **Products Covered**

Our recycling program covers all of our branded products from movies (*i.e.*, DVDs), to professional equipment used to project movies in theaters, to laptops or televisions used to watch movies at home.

Sony, therefore, respectfully urges you to adopt one program with one set of requirements which will require full producer responsibility for all products manufactured. The advancement of technology has enabled manufacturers to create an array of products using the same chemicals and metals that are used in the products commonly covered in e-waste recycling mandates. Given this, Sony suggests adopting legislation to target all products that contain these same internal and external components and chemicals.

- **Cost**

Sony internalizes the cost of recycling and requests that any mandate require the same. Currently, Sony pays to recycle our old products. While there are several financing mechanisms that allow for recovery of this cost, Sony believes that internalizing the cost is the most effective and fair method for funding a comprehensive electronics recycling program. Such funding mechanisms create market incentives for manufacturers to *ex ante* design and produce the most environmentally-friendly products possible. In addition, it encourages manufacturers to develop and implement the most efficient and cost-effective recycling procedures. Indeed, it is Sony's ultimate goal through design improvements, the growth of the recycling industry, and economies of scale to drive these recycling costs down, thus making recycling cost effective. Until that time, Sony considers the cost of recycling as part of the cost of doing business.

Thank you again for the opportunity to testify before the committee. Sony looks forward to working with you in developing a successful, national e-waste recycling program.

For more information about the Sony Take Back Recycling Program, go to www.sony.com/recycle.